

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
440 West 200 South
Salt Lake City, Utah 84145-0155**

**DETAILED STATEMENT OF POTASSIUM LEASE SALE TERMS OF
LEASE OFFER AND OF POTASSIUM LEASE THAT MAY BE ISSUED
AS A RESULT OF OFFER**

Sevier Lake Potassium Tracts

UTU-87112-A

At 1:00 p.m., on April 5, 2011 in the Bureau of Land Management's Monument Conference Room, on the fifth floor, 440 West 200 South, Salt Lake City, Utah, an authorized officer of the Bureau of Land Management, Utah State Office, will offer certain potassium resources in the lands hereinafter described for competitive lease by sealed bid of \$5.00 or more per acre minimum to the qualified bidder of the highest cash amount per acre, or fraction thereof, in accordance with the provisions of the Mineral Leasing Act of 1920, as amended (41 Stat. 437). **However, no bid will be accepted for less than fair market value as determined by the authorized officer.**

These leases are being offered under the provisions set forth in the regulations for competitive leasing at 43 CFR 3508.

POTASSIUM OFFERED: The resources to be offered consist of all potassium reserves and associated minerals available in the following described lands located in Millard County, Utah, approximately thirty miles northwest of Milford, Utah on federal lands with federally administered minerals:

Tract 1:	
Township 24 South, Range 12 West, SLM	1,929.01
section 3: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all)	
section 4: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all)	
section 5: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$. (all)	
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Tract 2:	
Township 24 South, Range 12 West, SLM	1,920.00

section 9: all; section 10: all; section 11: all.	
Tract 3: Township 24 South, Range 12 West, SLM section 14: all; section 15: all.	1,280.00
Tract 4 Township 23 South, Range 12 West, SLM section 26: all; section 27: all.	1,280.00
Tract 5: Township 24 South. Range 12 West, SLM section 7: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$; (all) section 8: all; section 17: all; section 18: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$. (all)	2,487.76
Tract 6: Township 23 South. Range 12 West, SLM. section 33: all; section 34: all; section 35: all.	1,920.00
Tract 7: Township 24 South, Range 12 West, SLM, section 1: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all) section 12: all.	1,283.38
Tract 8: Township 23 South. Range 12 West, SLM section 14: all; section 15: all; section 22: all; section 23: all.	2,560.00
Tract 9: Township 23 South. Range 11 West, SLM section 30: lots 1-12, E $\frac{1}{2}$; (all); section 31: lots 1-12, E $\frac{1}{2}$; (all); Township 23 South, Range 12 West, SLM section 25: all.	2,032.74

<p>Tract 10:</p> <p>Township 23 South, Range 12 West, SLM</p> <p>section 21: all;</p> <p>section 28: all.</p>	1,280.00
<p>Tract 11:</p> <p>Township 23 South, Range 12 West, SLM</p> <p>section 12: all;</p> <p>section 13: all.</p>	1,280.00
<p>Tract 12:</p> <p>Township 23 South. Range 11 West, SLM.</p> <p>section 19: lots 1-12, E½; (all);</p> <p>Township 23 South. Range 12 West, SLM</p> <p>section 24: all.</p>	1,335.32
<p>Tract 13:</p> <p>Township 23 South, Range 12 West, SLM</p> <p>section 3: lots 1-4, S½N½, S½; (all);</p> <p>section 9: all;</p> <p>section 10: all.</p>	1,291.63
<p>Tract 14:</p> <p>Township 23 South. Range 12 West, SLM</p> <p>section 8: all;</p> <p>section 17: all;</p> <p>section.20: all.</p>	1,920.00
<p>Tract 15:</p> <p>Township 23 South, Range 12 West, SLM.</p> <p>section 4: lots 1-4, S½N½, S½; (all);</p> <p>section 5: lots 1-4, S½N½, S½; (all);</p> <p>Township 22 South. Range 12 West. SLM</p> <p>section 33: all.</p>	1,922.86
<p>Tract 16:</p> <p>Township 22 South. Range 12 West, SLM</p> <p>section 21: all;</p> <p>section 28: all;</p> <p>section 29: all.</p>	1,920.00
<p>Tract 17:</p> <p>Township 23 South. Range 11 West, SLM</p> <p>section 6: lots 1-14, S½NE¼, SE¼; (all);</p> <p>Township 23 South, Range 12 West, SLM</p>	1,366.56

section 1: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$. (all);	
Tract 18:	
Township 23 South. Range 12 West, SLM	1,281.88
section 2: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all);	
section 11: all.	
Tract 19:	
Township 22 South. Range 12 West, SLM	1,919.40
section 34: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$; (all);	
section 35: all;	
section 36: all.	
Tract 20:	
Township 22 South, Range 12 West, SLM	1,918.55
section 25: all;	
section 26: all;	
section 27: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$. (all)	
Tract 21:	
Township 22 South, Range 12 West, SLM	1,917.81
section 22: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$; (all);	
section 23: all;	
section 24: all.	
Tract 22:	
Township 22 South, Range 12 West, SLM	1,917.09
section13: all;	
section14: all;	
section 15: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$. (all)	
Tract 23:	
Township.22 South Range 12 West, SLM	1,918.37
section 9: lots 3, 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;	
section 10: lots 3, 4, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$;	
section11: all;	
section 12: all.	
Tract 24:	
Township 22 South, Range 11 West, SLM	2,510.11
section 18: lots 1-4, E $\frac{1}{2}$; (all);	
section 19: lots 1-4, E $\frac{1}{2}$; (all);	
section 29: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$;	
section 30: lots 1-6, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$; (all);	
section 31: lots 1-4, E $\frac{1}{2}$. (all)	

Tract 25:	
Township 22 South, Range 11 West, SLM	1,924.48
section 17: all;	
section 20: all ;	
section 21: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$. (all)	
 Tract 26:	
Township 22 South, Range 12 West, SLM	1,798.33
section 1: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all)	
section 2: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all)	
Township 22 South, Range 11 West, SLM	
section 6: lots 1-6, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$. (all)	
 Tract 27:	
Township 22 South, Range 11 West, SLM	2,421.09
section 7: lots 1-4, E $\frac{1}{2}$; (all)	
section 8: all;	
section 9: all;	
section 10: lots 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$. (all)	
 Tract 28:	
Township 21 South, Range 12 West, SLM	2,400.77
section 34: all;	
section 35: all;	
section 36: all;	
Township 21 South, Range 11 West, SLM	
section 31: lots 1-6, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$. (all)	
 Tract 29:	
Township 22 South, Range 11 West, SLM	1,982.65
section 3: lots 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$; (all)	
section 4: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all)	
section 5: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$. (all)	
 Tract 30:	
Township 21 South. Range 11 West, SLM	1,933.20
section 32: lots 1-4, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$; (all)	
section 33: lots 1-4, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$; (all)	
section 34: lots 1-4, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$. (all)	
 Tract 31:	
Township 21 South, Range 12 West, SLM	2,396.57
section 25: all;	
section 26: all;	
section 27: all;	
Township 21 South, Range 11 West, SLM	

section 30: lots 1-4, E½. (all)	
Tract 32:	
Township 21 South, Range 11 West, SLM	1,920.00
section 27: all;	
section 28: all;	
section 29: all.	
Tract 33:	
Township 21 South, Range 12 West, SLM	2,395.65
section 22: all;	
section 23: all;	
section 24: all;	
Township 21 South, Range 11 West, SLM	
section 19: lots 1-4, E½. (all)	
Tract 34:	
Township 21 South, Range 12 West, SLM	2,394.72
section 13: all;	
section 14: all;	
section 15: all;	
Township 21 South, Range 11 West, SLM	
section 18: lots 1-4, E½. (all)	
Tract 35:	
Township 21 South, Range 11 West, SLM	1,920.00
section 20: all;	
section 21: all;	
section 22: all.	
Tract 36:	
Township 21 South, Range 12 West, SLM	2,406.53
section 1: lots 1-4, S½N½, S½; (all)	
section 2: lots 1-4, S½N½, S½; (all)	
section 11: all;	
section 12: all.	
Tract 37:	
Township 21 South, Range 11 West, SLM	2,393.82
section 7: lots 1-4, E½; (all)	
section 8: all;	
section 16: all;	
section 17: all.	
Tract 38:	
Township 21 South, Range 11 West, SLM	1,869.64

section 4: lots 1-4, S $\frac{1}{2}$; (all)	
section 5: lots 1-4, S $\frac{1}{2}$; (all)	
section 6: lots 1-5, SE $\frac{1}{4}$; (all)	
section 9: all.	
Tract 39:	
Township 21 South, Range 11 West, SLM	1,728.85
section 3: lots 1-4, S $\frac{1}{2}$; (all)	
section 10: all;	
section 15: all.	
Tract 40:	
Township 20 South, Range 12 West, SLM	2,560.00
section 25: all;	
section 26: all;	
section 35: all;	
section 36: all.	
Tract 41:	
Township 20 South, Range 11 West, SLM	2,559.41
section 31: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$; (all)	
section 32: all;	
section 33: all;	
section 34: all.	
Tract 42:	
Township 20 South, Range 11 West, SLM	2,560.00
section 25: all;	
section 26: all;	
section 35: all;	
section 36: all.	
Tract 43:	
Township 20 South, Range 11 West, SLM	2,557.64
section 27: all;	
section 28: all;	
section 29: all;	
section 30: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$. (all)	
Tract 44:	
Township 20 South, Range 11 West, SLM	2,556.07
section 19: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$; (all)	
section 20: all;	
section 21: all;	
section 22: all.	

Tract 45: Township 20 South, Range 11 West, SLM section 23: all; section 24: all.	1,280.00
Tract 46: Township 20 South, Range 11 West, SLM section 15: all; section 16: all; section 17: all; section 18: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$. (all)	2,554.50
Tract 47: Township 20 South, Range 11 West, SLM section 11: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all) section 12: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all) section 13: all; section 14: all.	2,557.18
Tract 48: Township 20 South, Range 11 West, SLM section 3: lots 1-12, S $\frac{1}{2}$; (all) section 10: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$. (all)	1,358.44
Tract 49: Township 20 South, Range 10 West, SLM section 7: lots 1-12, E $\frac{1}{2}$; (all) section 8: all; section 17: all.	2,012.41
Tract 50: Township 20 South, Range 10 West, SLM section 18: lots 1-12, E $\frac{1}{2}$; (all) section 19: lots 1-12, E $\frac{1}{2}$; (all) section 20: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$. (all)	2,115.47
Tract 51: Township 20 South, Range 10 West, SLM section 29: all; section 30: lots 1-12, E $\frac{1}{2}$; (all) section 31: lots 1-12, E $\frac{1}{2}$. (all)	2,129.20
Tract 52: Township 20 South, Range 11 West, SLM section 4: lots 1-12, S $\frac{1}{2}$; (all) section 5: lots 1-12, S $\frac{1}{2}$; (all)	2,048.40

section 9: all.	
Tract 53:	
Township 20 South, Range 11 West, SLM	1,953.40
section 6: lots 1-14, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$; (all)	
section 7: lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$; (all)	
section 8: all.	
Tract 54:	
Township 20 South, Range 12 West, SLM	1,799.62
section 12: lots 1, 3-5, 7-17;	
section 13: all;	
section 24: all.	
Tract 55:	
Township 20 South, Range 12 West, SLM	1,561.35
section 11: lots 1, 2, 4, 6-11;	
section 14: all;	
section 15: lots 1-15, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$. (all)	
Tract 56:	
Township 20 South, Range 12 West, SLM	1,920.00
section 22: all;	
section 23: all;	
section 27: all.	
Tract 57:	
Township 20 South, Range 12 West, SLM	1,886.40
section 28: lots 1-18, W $\frac{1}{2}$ NW $\frac{1}{4}$; (all)	
section 33: lots 1-18; (all)	
section 34: all.	
Tract 58:	
Township 21 South, Range 11 West, SLM	1,088.74
section 1: lots 1-4, S $\frac{1}{2}$; (all)	
section 12: all.	
Tract 59:	
Township 21 South, Range 11 West, SLM	1,728.82
section 2: lots 1-4, S $\frac{1}{2}$; (all)	
section 11: all;	
section 14: all.	
Tract 60:	
Township 21 South, Range 11 West, SLM	1,924.50

section 23: all;
section 26: all;
section 35: lots 1-4, N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$. (all)

Tract 61:
Township 21 South, Range 12 West, SLM 2,393.45
section 3: lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$; (all)
section 4: lots 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$,
E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$; (all)
section 9: lots 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$; (all)
section 10: all.

Tract 62:
Township 21 South, Range 12 West, SLM 2,548.83
section 16: lots 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$; (all)
section 17: all;
section 20: all;
section 21: lots 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$. (all)

Tract 63:
Township 21 South, Range 12 West, SLM 1,911.39
section 16: lots 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$; (all)
section 17: all;
section 20: all;
section 21: lots 1-4, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$. (all)

Tract 64:
Township.22 South Range 12 West, SLM 1,917.77
section 3: lots 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$,
E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$; (all)
section 4: lots 1-7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$,
E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$; (all)
section 9: lots 1, 2, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$;
section 10: lots 1, 2, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$.

TOTAL: 125,761.76

The Sevier Lake playa contains brines which contain potassium (K) and will be leased under the authority of the Mineral Leasing Act of 1920 (as amended). The Sevier Lake mineral resource is characterized by the following average chemical brine analyses:

Sodium (Na⁺) = 82,217 mg/L
Potassium (K⁺) = 3308 mg/L
Magnesium (Mg⁺⁺) = 3734 mg/L

Calcium (Ca^{+}) = 576 mg/L
Chlorine (Cl^{-}) = 114,129
Sulfate (SO_4^{-}) = 27,775 mg/L
Total Dissolved Solids (TDS) 201,269 mg/L
Density = 1.146

The total potash reserves have been estimated at 5.2 million tons.

RENTAL AND ROYALTY: A lease issued as a result of this offering will provide for payment of an annual rental rate of \$0.25 per acre or fraction thereof for the first years rental. The rental increases to \$.50 per acre or fraction thereof in the second year, and to \$1.00 per acre or fraction thereof in the sixth lease year, pursuant to 43 CFR 3504.15. A royalty is payable to the United States (See draft Potassium Lease for royalty percentage). The value of the production is determined under ONRR regulations in Title 30.

WHEN AND WHERE TO SUBMIT BIDS: Sealed bids must be received by 10:00 a.m., April 5, 2011, Utah State Office, P.O. Box 45155, Salt Lake City, Utah 84145-0155. Sealed bids may be hand delivered to the cashier, Utah State Office, 440 West 200 South, Suite 500, Salt Lake City, Utah. The envelope used for the sealed bids must be plainly marked that it is not to be opened before the hour and date of the sale and must show that the bid is for Potassium Lease Offering UTU-87112-A and which tracts the bids are for. A bid must be physically received by 10:00 a.m., April 5, 2011 to be considered. A company or individual is limited to **one sealed bid per tract.** If a company or individual submits two or more bids for a tract, all of the company's or individual's bid will be rejected for that tract. The sealed bids may not be modified or withdrawn unless the modification or withdrawal is received before 10:00 a.m., April 5, 2011.

SEALED BIDDING REQUIREMENTS: No special form of sealed bid is required but all bids must show the amount bid per acre for each tract, the total amount bid, and the amount submitted with each bid for each tract. Each bid must be signed by the bidder or a person authorized to act for the bidder. Each sealed bid must be accompanied by the following:

1. A bid deposit of one-fifth of the amount bid in the form of a cashier's check, certified check, bank draft, or money order payable to the Bureau of Land Management. Payment of the deposit for multiple tracts may be included in one check as long as the amount bid for each tract is clearly designated on each separate bid
2. A statement over the bidder's own signature as to:
 - (a) The bidder's qualifications to hold this lease as required under 43 CFR 3502.

- (b) The bidder's acreage holdings. A lease will not be issued to a bidder who holds or controls more than 96,000 acres of Federal potassium leases in the United States; and
 - (c) Whether or not the bidder is the sole party in interest in the bid as specified in 43 CFR 3472.2-1.
- 3. A complete and signed Form 1140-6, Independent Price Determination Certificate, to the effect that the bid was arrived at by the bidder independently and was rendered without collusion with any other bidder.

Bidders are warned against violation of Sec. 1860, Title 18 U.S.C., prohibiting unlawful combination or intimidation of bidders.

The Secretary reserves the right to reject any and all bids, and to offer the lease to the next qualified bidder, if the successful bidder does not get the lease for any reason.

BID OPENING: At 1:00 p.m., April 5, 2011, in the Bureau of Land Management Monument Conference Room, on the fifth floor, 440 West 200 South, Salt Lake City, Utah, the authorized officer or his designated representative will open and read the sealed bids. The highest bids will be announced and the successful high bidders will be notified in writing after the authorized officer has made his determination that the bid has met or exceeded market value. The Department of the Interior reserves the right to reject any and all bids, and also the right to offer the lease to the next highest qualified bidder if the successful bidder fails to obtain the lease for any reason. If any bid is rejected, the deposit associated with the bid will be returned as soon as practical.

If authorized potassium leases do not result from this lease sale, the tracts or portions thereof may be considered for reoffer by the authorized officer relative to workload priority and payment of further cost recovery fees.

LEASE ISSUANCE REQUIREMENTS: Prior to the issuance of a lease, the successful bidder will be required to furnish:

1. First year's rental, in the amount of \$0.25 per acre or fraction thereof for the first years rental. Note that the rental increases to \$.50 per acre or fraction thereof in the second year, and to \$1.00 per acre or fraction thereof in the sixth lease year;
2. If the successful bidder is not the applicant, you must pay a proportionate share of cost recovery fees, which will be \$0.96 per acre or fraction thereof. All successful bidders must also pay the proportionate share of the advertising cost of this offering, and all processing cost incurred after the date of the sale notice;
3. Pay the balance of the bonus bid;

4. A lease bond in the amount of \$5,000;
5. Three executed copies of the lease form; and

LEASE FORM AND STIPULATIONS: The attention of all prospective bidders is directed to the attached blank copy of the standard potassium lease form used by the Bureau of Land Management and the special stipulations which will be included as part of the lease issued for the tracts listed in this offering. The form and stipulations may receive further minor modifications prior to lease issuance in order to conform to current Bureau instructions.

Attachments (sent only to prospective lessees)

1. Lease Form
2. Stipulations
3. Form 1140-6